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SUBJECT: FINNS VERY PESSIMISTIC ABOUT EU-RUSSIA PCA MANDATE

Classified By: POLCHIEF GREGORY THOME FOR REASONS 1.4 (B) AND (D)

- 11. (C) SUMMARY: The GOF is very pessimistic that the EU will be able to reach consensus on establishing a negotiating mandate for a new EU-Russia Partnership and Cooperation Agreement (PCA). Immediately after Poland blocked consensus near the end of the Finnish EU Presidency, the Finns expressed confidence that matters could be resolved during the German Presidency. However, the situation has changed dramatically -- largely as a result of Russia's behavior -- and the Finns now believe that the window of opportunity has passed. End Summary.
- 12. (SBU) On the eve of the EU-Russia Summit in Helsinki last November, Poland scuttled the Finnish EU Presidency's efforts to deliver to the German Presidency a consensus EU mandate for negotiating a new EU-Russia PCA. The Finns (and Germans, we understand) were disappointed, but expressed optimism that Russia would lift its ban on Polish meat imports and that the mandate would be secured in plenty of time for the subsequent EU-Russia Summit in May.

Meat Issue Still Problematic

13. (C) However, Finnish officials in the MFA Unit for Russia, which spearheaded the inter-EU negotiations on the PCA during the Presidency and has coordinated closely with German counterparts since, now believe that the window of opportunity for a new PCA may have passed. Germans and the Finns tried mightily to resolve the Polish meat issue before the April GAERC, our contacts say, but to no avail. Poland delivered a good faith "signal" that would give Russia the necessary political cover to lift its embargo, the Finns reported, but apparently Moscow did not view it as sufficient. addition, Russian contacts have suggested to the Finns that they have little incentive to remove the Embargo before the Summit -- a stance the GOF finds enormously frustrating, but not suprising given Russia's increasingly obstructive or inexplicable behavior on other issues.

Other Irritants

14. (C) Indeed, in the Finns' view, Russia has created additional irritants that make achieving EU consensus on the PCA mandate even more remote. Even if Poland finds a way to resolve the meat issue, Warsaw, Vilnius and others could consider blocking PCA consensus over Russia's increasingly politicized energy policies. The concerns are valid, in the Finns' view, particularly because Russia has not turned words into deeds on promises it made in connection with sensitive gas pipeline projects. Another potential irritant has been Moscow's irrational response to US missile defense plans in Poland and the Czech Republic. Finnish contacts do not believe those countries would block the PCA mandate over this issue,

but say "the mood has not been very fruitful." Ditto for the Estonian Bronze Statue crisis: Estonia has told the GOF that Russia's violations of the Vienna Conventions will not prompt the GOE to take action against the PCA mandate, and it has stepped back from early demands that the Summit be postponed. However, the Finns believe that any additional Russian heavy handedness could prompt Tallinn to speak out against a new PCA.

Russian Interest Waning

old PCA, so can we.

15. (C) The Finns suggested that the only small hope of achieving a new PCA mandate might stem from the fact of this being President Putin's last EU-Russia Summit on Russian soil -- but readily admit that this is likely to have little impact. For one, Putin has neither the political will nor sufficient time before the May 18 Summit to provide the reassurance many Member States are seeking; and for two, there is not enough time left in Putin's term for him to turn a new PCA to his political advantage. Some Russian officials have even suggested to our Finnish contacts that "if the EU can live with the

Comment

16. (C) From the Finnish perspective, the best window of opportunity for achieving a new PCA may have passed. The Finnish and German Presidencies gave it their best shot. However, the new Member States have proven they are not shy about using their ability to block consensus as a means of protecting their own interests vis--vis Russia, and Russia has done little to provide them reassurances. HYATT